United Nations A/53/796

General Assembly

Distr.: General
14 January 1999

Original: English

Fifty-third session
Agenda items 24, 91 (a) and 164

Implementation of the United Nations New Agenda for the Development of Africa in the 1990s, including measures and recommendations agreed upon at its mid-term review

Macroeconomic policy questions: Trade and development

Causes of conflict and the promotion of durable peace and sustainable development in Africa

Letter dated 13 January 1999 from the Permanent Representative of the Republic of Korea to the United Nations addressed to the Secretary-General

I have the honour to transmit herewith the Seoul Framework for Cooperation adopted at the Forum on Asia-Africa Cooperation in Export Promotion, which was organized by the Government of the Republic of Korea and the United Nations and held in Seoul from 14 to 16 December 1998 (see annex).

I would be grateful if you could arrange for the present letter and its annex to be circulated as a document of the fifty-third session of the General Assembly under agenda items 24, 91 (a) and 164.

Sincerely,

(*Signed*) **Lee** See-young
Permanent Representative

99-00975 (E) 220199

Annex

Forum on Asia-Africa Cooperation in Export Promotion

Seoul Framework for Cooperation

I. Introduction

1. International trade has increasingly become the main engine of economic growth. For over three decades, since the mid-1960s, Asian countries, particularly in East and South-East Asia, have achieved high rates of economic growth, coupled with reduced income inequality and substantially improved standards of living. Investment in human capital and physical infrastructure and the adoption of market-friendly and export-led policies have been instrumental in achieving this remarkable performance.

2. On the other hand, Africa's share in world trade, as a result of over-dependence on a limited range of commodities coupled with policies that did not favour expansion of external trade, has declined from 3.1 per cent in 1990 to 2.2 per cent in 1995 and to less than 2 per cent in 1997. Africa has not been able, therefore, to take advantage of the opportunities offered by the emerging liberalized and globalized world economy.

3. Export promotion and diversification are among the major goals of Africa's growth-oriented strategy and the Asian experience is of particular relevance in this regard. In this context, the Forum on Asia-Africa Cooperation in Export Promotion was held in Seoul, from 14 to 16 December 1998, at the initiative of the Government of the Republic of Korea and in cooperation with the United Nations Office of the Special Coordinator for Africa and Least Developed Countries. This initiative is consistent with the recommendations of the Secretary-General, as contained in his report entitled "The causes of conflict and the promotion of durable peace and sustainable development in Africa", as well as the Tokyo Agenda for Action, adopted in October 1998 at the second Tokyo International Conference on African Development, which also placed great emphasis on Asia-Africa cooperation.

4. The Forum was attended by 70 participants, including relevant high governmental officials, executive heads of trade and investment promotion centres, senior representatives of chambers of commerce and business communities from 25 African and 10 Asian countries, as well as representatives of seven regional and subregional organizations in Africa and Asia and of the United Nations system. The Forum provided the opportunity to review both the Asian experience and the challenges facing Africa in export promotion and diversification as well as to devise this framework for cooperation and equal partnership.

II. Asian experience and the challenges facing Africa

5. Successful elements of the export-growth strategies used in Asian countries include institutional mechanisms aimed at facilitating access to imported inputs at world prices, easing external market penetration and improving government-business relations. Other elements relate mostly to building and enhancing capacities such as universal primary education, wide access to secondary, vocational and higher education, with emphasis on science and technology, entrepreneurship development, particularly for small and medium-scale enterprises, and building a competent civil service, including the provision of adequate incentives.

6. The main challenge facing Africa is to sustain and improve upon the recent economic gains characterized by an average annual growth of gross domestic product well above population growth. Indeed, accelerated economic growth is also of paramount importance if Africa is to reverse its increasing marginalization as reflected by quantitative indicators, particularly its small share of world trade, the limited inflows of foreign direct investment, its heavy debt burden, the relatively low utilization of communication technology, the falling standard of education, the deteriorating health services and the declining food self-sufficiency ratio.

7. There are however, some positive developments in Africa that must be taken into account in meeting the above challenges. These include, for most African countries, the implementation of sound economic reform programmes, the adoption of democratic principles and the move towards economic cooperation and integration. These positive developments are essential to the export-led growth strategy.

8. African countries should aim at sustaining high rates of growth by pursuing policies that substantially increase the mobilization of domestic savings necessary for building critical capacities which diversify and expand production structures and facilitate the integration of their economies

in the global trade and financial system. On the other hand, such a growth-oriented strategy would require more ambitious and coordinated support from Africa's development partners, including the provision of broad-based financial and technical assistance. Asian experience and expertise, particularly in capacity-building and institutional mechanisms, are identified as important components for export promotion in African countries.

III. Areas for Asia-Africa cooperation for export promotion in Africa

A. Capacity-building

9. A major requirement for Asia-Africa cooperation in general, and for capacity-building in particular, should be based on the basic commitment by the African countries to create an enabling environment for foreign investment, including efforts to project a better image of the continent as well as building confidence. They should, *inter alia*, disseminate successful experiences and examples on the continent. On the other hand, Asian countries should look at Africa as an opportunity for investment and mutual benefit.

10. Furthermore, Asia-Africa cooperation in capacity-building should be guided by the present context of globalization and trade liberalization. Such cooperation should take place at interregional, regional, subregional, national and enterprise levels, as may be required, and should cover the relevant areas of infrastructure, human resources development, financing, marketing, information gathering and dissemination.

11. Asia and Africa should devise a joint strategy aimed at expanding their markets both in the two regions and in those of third parties, through measures such as industrial relocation and investment aimed at diversifying production structures. Such a strategy would include capacity-building measures for African countries.

12. Measures required for capacity-building in the areas outlined above include:

(a) Institutionalizing cooperation at policy and business levels;

(b) Encouraging the representation of African organizations in Asia;

(c) Promoting cooperation among the media in the two regions;

(d) Improving the organization of trade missions between the two regions, by making them more results-oriented;

(e) Promoting cooperation among consultancy services in the two regions;

(f) Promoting triangular technical cooperation;

(g) Encouraging direct support at the enterprise level for improving product competitiveness, including by technology transfer, through enterprise to enterprise cooperation, or official development assistance;

(h) Using subregional organizations as vehicles for capacity-building;

(i) Promoting technical cooperation among developing countries' activities in human resources development;

(j) Promoting cooperation in the organization of subregional, regional and interregional trade fairs;

(k) Networking on trade and investment opportunities, and on trade facilitation methods, including among chambers of commerce and the business communities, and dissemination of country profiles and trade-related publications.

B. Institutional mechanisms

13. In order to expand exports, it is necessary for African countries to build their institutional capacity in export promotion. In this regard, different institutional models for export promotion were discussed, notably the Singaporean, Indian and Mauritian models. It was agreed that different institutional frameworks were appropriate for different countries and that no hard rule exists as to the "correct" route to follow.

14. Two specific issues of Asia-Africa cooperation regarding institutional mechanisms were highlighted. They include project formulation and technical obstacles to export promotion.

15. With regard to project formulation, the following was noted:

(a) The cost of carrying out feasibility studies is prohibitive in many African countries, especially for the entrepreneurs. Therefore, every effort should be made to alleviate this constraint. In this regard, use could be made of more simplified and economical pre-feasibility studies methodologies, such as the Computer Model for Feasibility

Analysis and Reporting (COMFAR) of the United Nations Industrial Development Organization;

(b) In many African countries, it is difficult to mobilize long-term financing for project implementation. In this regard, the Asian experience in the use of development banks for providing such finance was noted.

16. With regard to technical obstacles to export promotion, the following was noted:

(a) Design, packaging and quality control skills are lacking in many African countries. In this regard, it was suggested that Asian institutes of design and packaging and African trade promotion organizations should cooperate more closely to build the capacity of the latter in this area;

(b) Considerable information barriers exist with regard to African knowledge on potential export markets. It was suggested that African trade promotion organizations gain access to existing trade databases through a more coordinated approach and that better use should be made of market surveys;

(c) It was agreed that better use could be made of donor support in the area of training and human resources development for trade promotion, and the Korean International Cooperation Agency's training programmes were noted in this regard;

(d) It was agreed that African countries should make more use of trade missions as well as regional trade and investment fairs, notably in collaboration with Asia in the spirit of Asia-Africa cooperation as expressed by this Forum. In this regard, African countries were invited to participate in the Asia Pacific International Trade Fair (ASPAT) to be held in October 1999 in Seoul, and in September 2000 in New Delhi. Asian countries were invited to participate in the eighth All-African Trade Fair in Abidjan in 2000. Participants were also invited to the African exhibition organized by Japan External Trade Organization in Tokyo, and to the first Asia-Africa Business Forum, both to be held in 1999.

IV. Implementation and follow-up

17. Participants recommended that Asian and African countries, in their bilateral and multilateral cooperation endeavours, should ensure that due attention is given to the measures outlined in this framework. Furthermore, participants agreed to organize similar meetings on a regular basis to review the implementation of these measure. To that effect, it was recommended that a steering committee be set up, including, initially, the Korean Government, the United Nations Office of the Special Coordinator for Africa and Least Developed Countries, the United Nations Development Programme, and the Organization of African Unity, to ensure an immediate follow up to this Forum. The composition of the steering committee will be reviewed after further consultations.

V. Conclusion

18. The Seoul Forum provided a unique opportunity for various actors to exchange views on practical aspects in the field of trade and export promotion and to explore ways and means of strengthening Asia-Africa cooperation in this critical area. Participants in this Forum, from Asian countries on the one hand, and from African countries on the other, reaffirmed their strong will and determination to cooperate in a pragmatic and practical manner to promote trade and joint ventures among them in a mutually profitable spirit. The participants expressed their appreciation and gratitude to the Government of the Republic of Korea for this important initiative and for the excellent facilities put at their disposal, which greatly contributed to fruitful deliberations. In this regard, participants adopted a vote of thanks to the Korean International Cooperation Agency and the United Nations Office of the Special Coordinator for Africa and Least Developed Countries, the co-organizers of the Forum.